

Investors GROWTH FUND OF CANADA LTD.

1968

ANNUAL REPORT

EXECUTIVE OFFICERS

T. O. PETERSON
Chairman of the Board

C. E. ATCHISON
President

J. N. W. BUDD
Vice President

E. G. O. HOWARD
Secretary

R. H. JONES
Treasurer

INVESTMENT MANAGER
The Investors Group

DISTRIBUTOR
Investors Syndicate Limited

HEAD OFFICE
280 Broadway Avenue
Winnipeg 1, Manitoba

Investors GROWTH FUND OF CANADA LTD.

ANNUAL REPORT FOR THE YEAR ENDED
AUGUST 31, 1968

Comparative Highlights

	1968	1967
Total Net Assets	\$275,286,000	\$208,337,000
Number of shareholders	69,687	61,836
Asset value per share	\$11.20	\$10.26
Dividend paid	\$ 5,161,000	\$ 4,265,000
Dividend per share	\$.21	\$.21

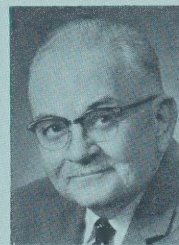
Board of Directors



T. O. PETERSON
Winnipeg



C. E. ATCHISON
Winnipeg



COURTLAND ELLIOTT
Toronto



C. A. GEOFFRION, Q.C.
Montreal



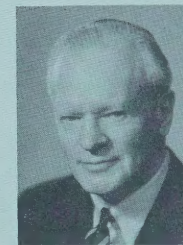
PETER D. CURRY
Winnipeg



PAUL DESMARAIS
Montreal



FRANK H. SHERMAN
Hamilton



J. K. BRUMELL
Toronto

Report to the Shareholders

It gives me pleasure to report to you on behalf of the Board of Directors that satisfactory progress was made by your Company during the year ended August 31, 1968.

The most significant development to shareholders, of course, is the growth of the asset value per share. Despite the unsettled conditions which prevailed in the stock markets during the first six months of the fiscal year, at the year-end a solid gain had been recorded in the value of your investment. Details of share performance may be found on the next page.

It is highly encouraging to note that there was a 12 per cent increase during the year in the number of shareholders, to 69,687. This indicates the growing recognition by the investing public of the soundness and worth of the management



C. E. ATCHISON
President

policies pursued on your behalf. It is becoming increasingly apparent that Canadians desire a well-managed investment program which will offset over the long term the effects of inflation.

The total net assets of your Fund increased by 32 per cent during the year, to a record \$275 million, compared with \$208 million a year ago. They have continued to grow since the year-end, and at time of writing exceeded \$300 million.

As a Canadian-oriented common stock fund, Investors Growth Fund has performed exceedingly well in line with its primary goal, which is the appreciation of capital over the long term. The following pages will detail the interesting variety of services provided to you, and fully report on the financial and portfolio standings of your Company.

Share Performance

The asset value per share increased by 9.17 per cent during the fiscal year ended August 31, 1968, rising from \$10.26 to \$11.20. Since the close of the year there has been a further increase in value and at time of writing the asset value was \$11.85.

This performance was most encouraging as it occurred during a period of stock market unsettlement both in Canada and the United States. Recently, of course, Canadian markets have recorded noticeable gains.

Because the primary goal of the Fund is capital growth over the long term, the dividend per share in 1968 was maintained at 21 cents, the same as in 1967. Dividends are automatically reinvested in additional shares, thus effectively increasing the rate of return to the shareholder.

The Fund's 1968 dividends totalled \$5,161,000, an increase of 21 per cent over the previous year.

The profit from the sale of investments during the fiscal year amounted to \$14,502,000, compared with \$7,440,000 the preceding year. The undistributed earnings, comprised

mainly of cumulative realized capital appreciation, was \$33,583,000 at the end of the 1968 fiscal year.

The following table illustrates the year-by-year performance of a share in Investors Growth Fund since its inception.

		Asset Value	Dividend	Dividend Yield	Capital Gain	Total Gain
December 2, 1957		\$5.000	(Commencement of Fund)			
August 31, 1958		5.569	\$.06½	1.30%	11.38%	12.68%
August 31, 1959		6.274	.10½	1.88	12.65	14.53
August 31, 1960		5.696	.14½	2.31	(-) 9.21	(-) 6.90
August 31, 1961		6.970	.15	.15	2.63	24.99
August 31, 1962		6.191	.16	2.29	(-) 11.18	(-) 8.89
August 31, 1963		6.860	.18	2.90	10.80	13.70
August 31, 1964		8.137	.20	2.91	18.61	21.52
August 31, 1965		8.590	.21	2.58	5.56	8.14
August 31, 1966		8.200	.21	2.44	(-) 4.54	(-) 2.10
August 31, 1967		10.262	.21	2.56	25.14	27.70
August 31, 1968		11.203	.21	2.05	9.17	11.22

The cumulative gain including compounded dividend return experienced by the Fund since its inception is equivalent to 9.41 per cent average annual compound growth.

Portfolio Management

The investment specialists responsible for the management of your Fund's portfolio have been acutely aware of the need for adaptability to change during the past year.

Whereas last year the Canadian market encountered some disfavour among investors, this year there has been an almost complete turnabout and Canadian equities have exhibited heartening strength, particularly in the so-called "blue chip" category. The abatement in the excessive pace of inflation which has occurred this year is proving beneficial to common stock prices.

Because of the improvement in Canadian business and economic conditions, increased emphasis has been placed by your portfolio managers on Canadian equities. Thus, 66 per cent of the portfolio at the year-end consisted of Canadian common stocks compared with 56 per cent a year earlier.

The capable and experienced people who research the securities and industries represented in your Fund consider that from time to time a strong cash position should be maintained to take advantage of the wide fluctuations in share prices which continue to occur. For that reason about

\$52 million, or 19 per cent of total assets, was held in cash or easily disposable assets at the year-end. These funds will be committed as good buying opportunities present themselves.

You will note that compared with last year, banks are heavily represented in the portfolio. Bank stocks represent more than 10 per cent of assets, for a total amount of \$28 million, compared with 2.4 per cent and \$5 million at the previous fiscal year-end. For the time being these stocks represent an excellent growth investment, and reflect the general improvement in Canada's fiscal and monetary situation.

The natural resources industries continue to play a dominant role in our investment policies, with the emphasis on securities which have solid growth values in the years ahead. The oil and gas sector represented about 8.5 per cent of assets, with a market value of \$23 million, while the metal mining and refining industry holdings amounted to 8 per cent of assets, valued at \$22 million.

The encouraging performance of the Fund during the past year is a direct result of professional management which can take the prudent action required when stocks of good quality and potential become available across a wide industry spectrum.

Economic Review and Outlook

We have experienced a number of exciting and challenging events since our last annual report. These events, both at home and abroad, affected the investment climate in Canada — and thus the performance of the stock markets.

For instance, the gold crisis of close to a year ago had a very unsettling impact. However, the recent stability of the gold price must be regarded as a constructive indication of an improved world monetary situation.

Here in Canada we have witnessed during the past few months some real progress toward the solution of some of the problems which have plagued the national economy. Much of the improvement is traceable to the fact that we now have returned to a majority federal government, which has created a condition of political stability. An immediate consequence has been the achievement of a greater degree of economic stability and increased confidence in the Canadian dollar.

A significant development has been a strong upward surge of Canadian exports during 1968, which has had a constructive influence throughout the economy. Exports are running well ahead of last year and this activity has been accompanied by a decided upturn in business investment in many key Canadian industries.

The only major weakness in our trade situation is the problem of wheat exports. Another area of some concern, particularly from the social standpoint, is the fact that the unemployment rate has risen moderately. Nevertheless, total labor income and corporation profits have improved during the year.

It is noteworthy that inflationary pressures eased somewhat during recent months, although the rise in labor costs continues to exceed the increase in productivity. There is still a great need for intelligent and talented leadership on the part of government, business and organized labor to maintain a concerted attack on inflation. We believe this inflationary problem now has been widely recognized and is being faced up to.

While there is little room for complacency, there has been a significant improvement in business conditions in this country, and there is every reason to look forward confidently to continuing growth in the economy, to the benefit of the Canadian investor.



C. E. ATCHISON,
President.

Investors

GROWTH FUND OF CANADA LTD.

Achievement of Fund' Objectives

The main objective of Investors Growth Fund is to produce growth of capital over the long term. The Fund's managers seek to achieve this objective by making available in one security an investment which is diversified, both geographically and by industry, with emphasis on common stocks which possess better-than-average growth prospects.

The graph on this page illustrates management's effectiveness in achieving this objective.

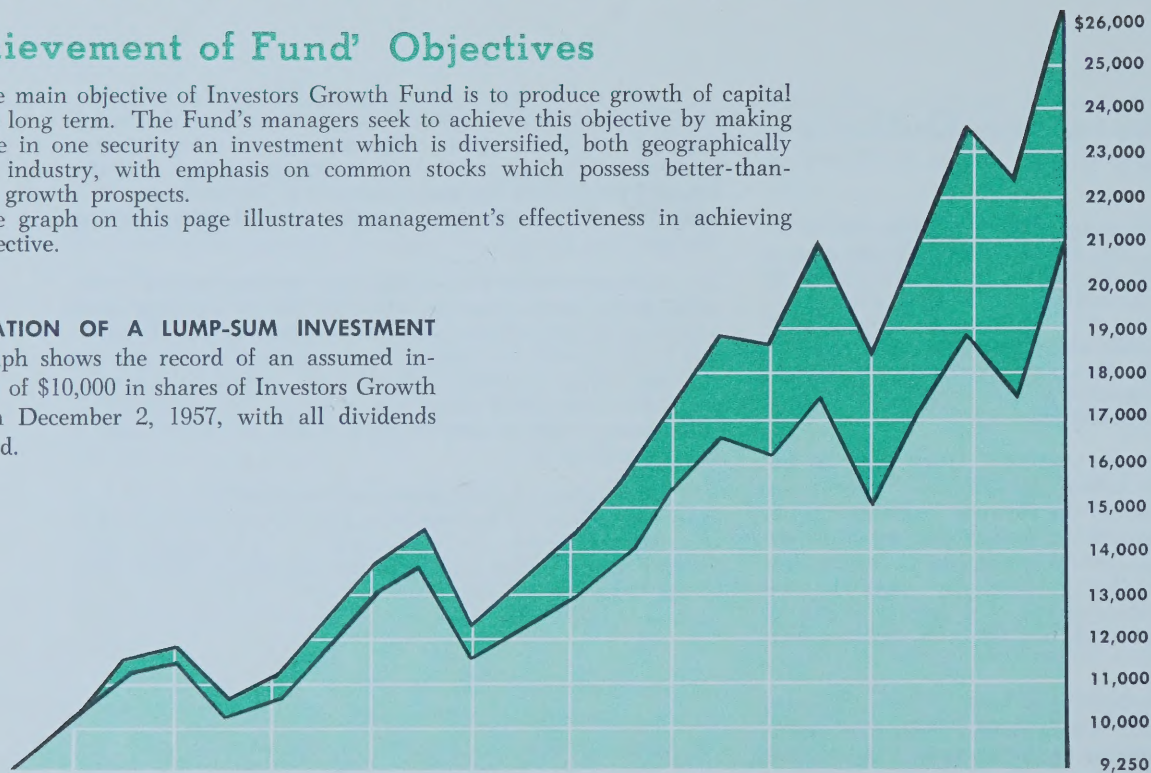
ILLUSTRATION OF A LUMP-SUM INVESTMENT

This graph shows the record of an assumed investment of \$10,000 in shares of Investors Growth Fund on December 2, 1957, with all dividends reinvested.

Total value of investment at August 31, 1968: **\$26,297**

Value of shares purchased with reinvested dividends: **\$5,201**

August 31, 1968
Value of original \$10,000 investment: **\$21,096**



31 AUG. 1958	31 AUG. 1959	31 AUG. 1960	31 AUG. 1961	31 AUG. 1962	31 AUG. 1963	31 AUG. 1964	31 AUG. 1965	31 AUG. 1966	31 AUG. 1967	31 AUG. 1968	
\$10,414	11,791	10,797	13,161	11,739	13,013	15,410	16,266	15,157	18,969	21,096	Value of original investment
—	136	313	726	914	1,375	2,076	2,645	3,358	4,676	5,201	Value of shares purchased with reinvested dividends
10,414	11,927	11,110	13,887	12,653	14,388	17,486	18,911	18,515	23,645	26,297	TOTAL VALUE

Record of a Continuous Investment Program

\$1,000 INITIAL INVESTMENT — \$100 PER MONTH

Investors Growth Fund shareholders may start accounts on a relatively moderate basis and increase their accounts by making regular purchases of additional shares to reach their objectives.

The following illustration is based on an assumed investment of \$1,000 on December 2, 1957, and subsequent investments of \$100 per month with dividends reinvested in shares.

Year	Cash Investment	Dividends Reinvested	Shares Credited	Accumulated Shares
1957	\$1,000	\$ —	184.843	184.843
1958	1,200	21.21	210.026	394.869
1959	1,200	53.68	186.175	581.044
1960	1,200	102.94	213.401	794.445
1961	1,200	136.18	185.760	980.205
1962	1,200	174.39	197.948	1,178.153
1963	1,200	231.43	194.114	1,372.267
1964	1,200	293.45	175.477	1,547.744
1965	1,200	342.77	166.186	1,713.930
1966	1,200	376.62	170.277	1,884.207
1967	1,200	411.73	152.392	2,036.599
1968	800	442.75	111.244	2,147.843

VALUATION OF ACCOUNT AT AUGUST 31, 1968

Redemption value		
2,147,843 shares x \$11.203	\$24,062.28	
Original Investment	\$ 1,000	
Monthly Purchases	12,800	13,800.00
TOTAL NET GAIN		<u>\$10,262.28</u>

Dollar Cost Averaging the Invest-A-Chek Way

Dollar-cost averaging is the name given to purchasing shares on a regular, systematic basis. When market dips occur, this system can be particularly profitable to shareholders. A booklet dealing with the subject is available from the Company. A convenient system of periodic investment, known as Invest-a-chek, has been developed especially to assist those of our clients who wish to dollar-cost average their share purchases.

Investors GROWTH FUND OF CANADA LTD.

Services and Benefits to Shareholders

Shareholders of Investors Growth Fund have the benefit of many valuable and helpful services provided by The Investors Group. It has been the continuing policy of the Company to emphasize the development of such services, to meet the needs and convenience of the clients whom it serves. Among the benefits and services extended to you as a shareholder are the following:

FREE REINVESTMENT OF DIVIDENDS

Dividends from investment income are automatically reinvested, without a sales charge, to purchase additional shares which are credited to your account. This compounding action provides an extra growth factor.

REDUCED SALES CHARGE

The purchase amounts of all your investments in mutual funds distributed by Investors Syndicate Limited are added together to reduce the sales charges on further purchases. Family purchases (by spouse and children under 21) are included with your own in determining total purchases.

FREE TRANSFER OF INVESTMENTS

If your investment objectives change, you may transfer without charge all or part of your account to shares of one of the other mutual funds distributed by Investors Syndicate Limited. If you wish to hold, either temporarily or permanently, an investment having guaranteed cash values you may transfer into the guaranteed Single Payment Annuity Certificates of Investors Syndicate Limited.

FRACTIONAL SHARES

Shares are issued in full and fractional amounts so that any sum of money may be fully invested, thus avoiding any unproductive balance.

INCOME TAX ADVANTAGES

Shareholders residing in Canada who receive dividends from Investors Growth Fund are entitled to an income tax credit of 20% of the amount of dividends received, in accordance with Section 38 of the Income Tax Act. Such credits are deducted from the tax payable. Dividends received by Canadian corporations from Investors Growth Fund are tax-free. A further tax benefit is the fact that realized capital gains are not taxed in Canada.

PROMPT REDEMPTION

Your Company agrees to redeem any portion or all of your shares at the net asset value per share as of the close of business on the day following receipt of your request at the head office of the Company.

TAX-DEDUCTIBLE RETIREMENT PLANS

The Income Tax Act provides that shareholders of Investors Growth Fund may purchase shares of the Fund and “register” them as a Registered Retirement Savings Plan, under certain conditions. If you would like to build up an annuity fund or supplement your existing pension plan, full details of these pension plan benefits may be obtained from the Company’s head office or its representatives.

SYSTEMATIC SHARE PURCHASE PLANS

Amounts as low as \$15 per month may be invested in plans having ten, fifteen or twenty-year maturities. These plans provide a desirable method of accumulating money for specific purposes. Optional low-cost insurance may be purchased with these plans, to cover completion. Our new Invest-a-chek system makes regular share purchasing easy and convenient.

INVEST-A-CHEK SERVICE

As an added convenience to shareholders, the Invest-a-chek system has been introduced whereby the shareholder purchases shares in the Fund by pre-authorized cheques on his or her bank account. This system is particularly helpful to clients who purchase shares on a regular, systematic basis, and thus wish to benefit from dollar-cost averaging of investments.

INCOME WITHDRAWAL PLAN

Monthly or quarterly, shareholders may redeem a sufficient number of shares at asset value to provide the dollar amount required. Annual withdrawals of 6-8% of the value of the account are most popular. Complete information on income withdrawal plans may be obtained from the company or its representatives.

REGULAR REPORTS

You will receive annual, semi-annual and quarterly reports, to keep you informed of Fund activities and general economic conditions.

Investors

GROWTH FUND OF CANADA LTD.

Balance Sheet

Approved on behalf of the Board



Director



Director

NET ASSETS

Assets:

Investments, at market value in Canadian funds:

Canadian Government bonds	
United States corporation bonds	
Canadian preferred stocks	
United States preferred stocks	
Canadian common stocks	
United States and other foreign common stocks	

	As at August 31 1968	1967
\$ 6,389,125	1,446,250	
—	376,685	
5,253,629	1,617,500	
—	1,515,771	
175,661,045	118,164,728	
37,473,951	61,655,943	
224,777,750	184,776,877	

*The average cost of the investments
as at August 31, 1968 was \$176,830,949
(1967 — \$144,884,976)*

Other assets:

Cash on deposit and in transit	
Demand notes	
Accrued interest and dividends receivable	
Due from brokers	

38,796,347	3,423,021
22,300,000	21,541,971
876,922	813,053
68,980	3,788,913
62,042,249	29,566,958

Total assets

286,819,999 214,343,835

Liabilities:

Due to brokers	
Dividend payable	
Accounts payable and accrued charges	
Income taxes payable	

5,907,018	1,469,178
5,160,634	4,265,683
248,319	146,848
218,094	124,518

Total liabilities

11,534,065 6,006,227

\$275,285,934 208,337,608

See accompanying notes to financial statements.

SHAREHOLDERS' EQUITY

Capital stock:

Common shares of a par value of
\$1 per share. Authorized and
issued 1,000 shares
Special shares of a par value of
\$1 per share.

	Shares—1968	Shares—1967
Authorized	60,000,000	60,000,000
Redeemed	11,635,589	8,938,305
	<u>48,364,411</u>	<u>51,061,695</u>
Outstanding	24,574,115	20,309,958

Premium received on shares issued less
premium paid on shares redeemed
Retained earnings
Unrealized appreciation of investments

	As at August 31 1968	1967
	<u>1,000</u>	<u>1,000</u>
	24,574,115	20,309,958
	<u>24,575,115</u>	<u>20,310,958</u>
	169,249,555	129,288,355
	33,583,976	18,846,209
	47,877,288	39,892,086
	<u>\$275,285,934</u>	<u>208,337,608</u>

Auditors' Report to the Shareholders

We have examined the balance sheet of Investors Growth Fund of Canada Ltd. as at August 31, 1968 and the statements of income from investments and retained earnings, premium on shares, unrealized appreciation of investments, changes in net assets and changes in investments for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1968 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Winnipeg, Manitoba,
October 16, 1968.

Investors

GROWTH FUND OF CANADA LTD.

Statement of Net Income from Investments and Retained Earnings

	Year Ended August 31	
	1968	1967
Income:		
Dividends	\$ 5,001,243	4,164,793
Interest	1,661,741	828,161
Proceeds of sale of stocks subscription rights ..	—	25,399
	<u>6,662,984</u>	<u>5,018,353</u>
Expenses:		
Management fees	1,206,008	913,591
Custodian fees	19,096	13,814
Directors' fees	5,317	5,376
Audit fees	3,250	2,750
Printing, postage and stationery	35,902	25,859
Miscellaneous	867	2,492
	<u>1,270,440</u>	<u>963,882</u>
Income before income taxes	5,392,544	4,054,471
Income taxes	448,479	271,043
	<u>Income (excluding profit on sale of investments)</u>	<u>3,783,428</u>
Profit on sale of investments	14,502,697	7,440,285
Transfer from premium on shares to equalize the equity per share in the amount available for dividends in respect of Special shares sold and redeemed during the year	451,639	382,392
	<u>19,898,401</u>	<u>11,606,105</u>
Dividend paid	5,160,634	4,265,684
	<u>14,737,767</u>	<u>7,340,421</u>
Retained earnings available for distribution, beginning of year	18,846,209	11,505,788
Retained earnings available for distribution, end of year	\$ 33,583,976	18,846,209
See accompanying notes to financial statements.		

	Year Ended August 31	
	1968	1967
Balance, beginning of year	\$129,288,355	99,239,500
Add:		
Premium received on sale of 6,961,441 (1967 — 5,274,875) Special shares	68,847,811	46,702,319
	<u>198,136,166</u>	<u>145,941,819</u>
Less:		
Premium paid on redemption of 2,697,284 (1967 — 1,621,715) Special shares	25,345,002	13,752,682
Commission paid on sale of shares	3,089,970	2,518,390
Transfer to retained earnings to equalize the equity per share in the amount available for dividends in respect of Special shares sold and redeemed during the year	451,639	382,392
	<u>28,886,611</u>	<u>16,653,464</u>
Balance, end of year	<u><u>\$169,249,555</u></u>	<u><u>129,288,355</u></u>

Statement of Premium on Shares

Balance, beginning of year	\$ 39,892,086	9,204,490
Unrealized appreciation for the year	<u>7,985,202</u>	<u>30,687,596</u>
Balance, end of year	<u><u>\$ 47,877,288</u></u>	<u><u>39,892,086</u></u>
See accompanying notes to financial statements.		

Statement of Unrealized Appreciation of Investments

Investors

GROWTH FUND OF CANADA LTD.

Statement of Changes in Net Assets

	Year Ended August 31	
	1968	1967
Net assets, beginning of year	\$208,337,608	136,607,576
Add:		
Income from investments	4,944,065	3,783,428
Profit on sale of investments	14,502,697	7,440,285
Increase in unrealized appreciation of investments	7,985,202	30,687,596
Proceeds of sale of Special shares less commissions paid	72,719,282	49,458,804
	<u>308,488,854</u>	<u>227,977,689</u>
Deduct:		
Payments on redemption of Special shares	28,042,286	15,374,397
Dividend paid from income from investments (note 3)	4,711,120	3,783,428
Dividend paid from profit on sale of investments (note 3)	—	99,864
Dividend paid from transfer from premium on shares to equalize the equity per share in the amount available for dividends in respect of Special shares sold and redeemed during the year (note 3)	449,514	382,392
	<u>33,202,920</u>	<u>19,640,081</u>
Net assets, end of year (note 1)	<u>\$275,285,934</u>	<u>208,337,608</u>

See accompanying notes to financial statements.

	Year Ended August 31	
	1968	1967
Investments at average cost, beginning of year	\$144,884,976	124,513,030
Add:		
Cost of investments purchased	129,192,592	70,030,072
	<u>274,077,568</u>	<u>194,543,102</u>
Deduct:		
Proceeds of investments sold	111,749,316	57,098,411
Less profit on sale of investments	14,502,697	7,440,285
	<u>97,246,619</u>	<u>49,658,126</u>
Investments at average cost, end of year	<u>\$176,830,949</u>	<u>144,884,976</u>

Statement of Changes in Investments

	1968	1967
1. The net asset value per share at August 31	<u>\$11.20</u>	<u>10.26</u>
2. The average income per share (excluding profit on sale of investments)	<u>20.12¢</u>	<u>18.63</u>
3. The source of the dividend paid per share:		
Income from investments	19.17¢	18.63
Profit on sale of investments	<u> </u>	<u>.49</u>
Transfer from premium on shares	1.83	1.88
Total dividend	<u>21.00¢</u>	<u>21.00</u>
4. The number of shares outstanding at the end of each fiscal year was utilized for the purpose of per share calculations.		
5. Demand notes are excluded from investments.		

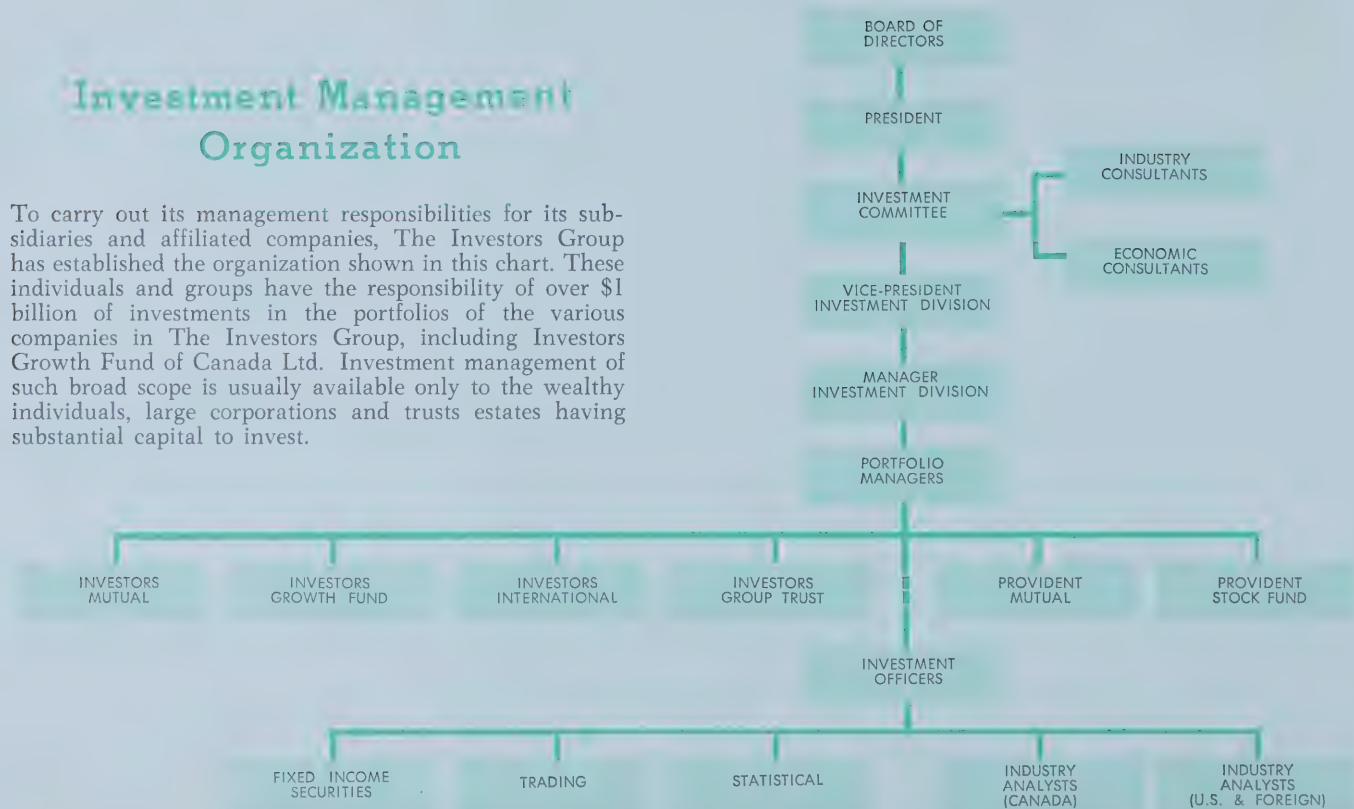
Notes to the Financial Statements

Investors

GROWTH FUND OF CANADA LTD.

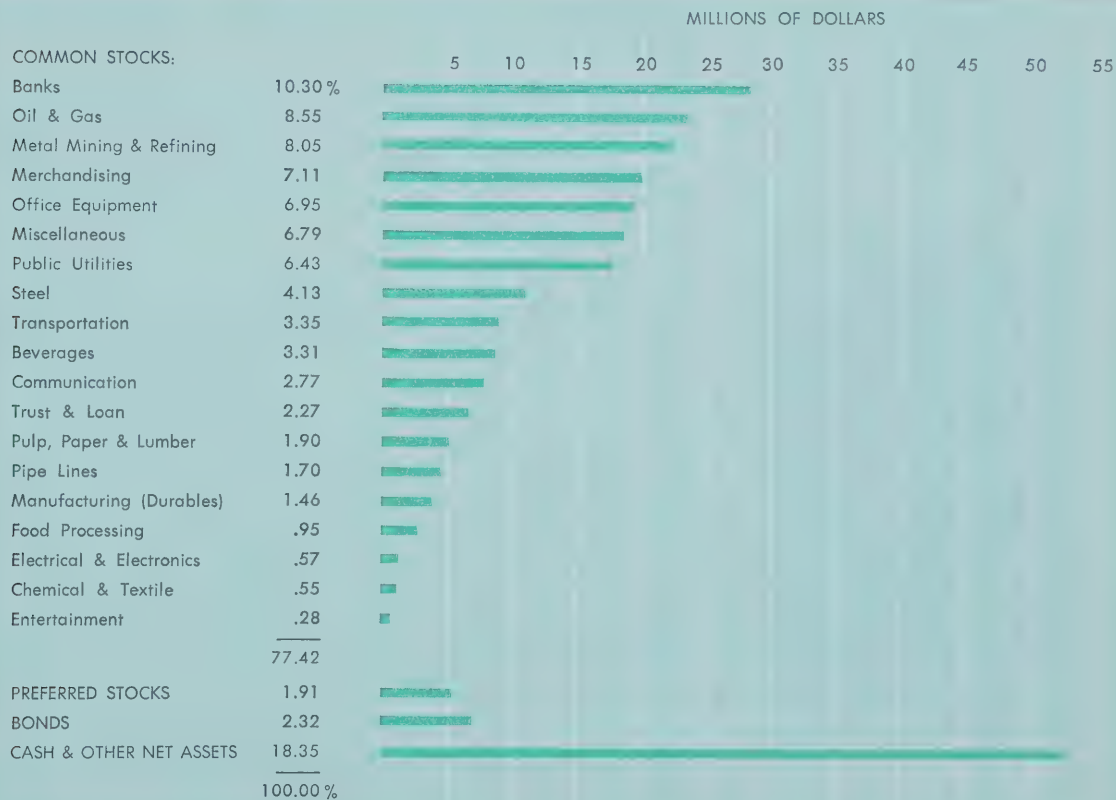
Investment Management Organization

To carry out its management responsibilities for its subsidiaries and affiliated companies, The Investors Group has established the organization shown in this chart. These individuals and groups have the responsibility of over \$1 billion of investments in the portfolios of the various companies in The Investors Group, including Investors Growth Fund of Canada Ltd. Investment management of such broad scope is usually available only to the wealthy individuals, large corporations and trusts estates having substantial capital to invest.



Diversification of Assets

AUGUST 31, 1968



Investors

GROWTH FUND OF CANADA LTD.

Investment in Securities

AUGUST 31, 1968

Common Stocks (77.42%)

Banks (10.30%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
Bank of Montreal	392,100	\$ 5,342,362	\$ 19.41
The Bank of Nova Scotia	364,805	7,296,100	26.50
Canadian Imperial Bank of Commerce	435,225	7,181,212	26.09
The Royal Bank of Canada	299,700	5,806,688	21.09
The Toronto-Dominion Bank	162,900	2,728,576	9.91
		28,354,938	103.00

Beverages (3.31%)

Distillers Corporation-Seagrams Limited	98,450	4,528,700	16.45
Molson Breweries Limited Class "B"	128,108	3,330,808	12.10
Hiram Walker-Gooderham & Worts Limited	32,425	1,240,256	4.51
		9,099,764	33.06

Chemical and Textile (0.55%)

Chemcell (1963) Limited	15,800	158,000	.57
Dominion Textile Company Limited	47,475	682,453	2.48
Du Pont of Canada Limited	20,875	678,438	2.46
		1,518,891	5.51

Communication (2.77%)

Maclean-Hunter Publishing Company Limited	128,000	1,792,000	6.51
Thomson Newspapers Limited	122,850	5,835,375	21.20
		7,627,375	27.71

Electrical and Electronics (0.57%)

FPE-Pioneer Electric Limited Class "A"	71,910	1,582,020	5.76
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High speed newsprint paper machine.

Common Stocks (continued)

Entertainment (0.28%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
*Loews Theatres Inc.	7,500	771,975	2.80

Food Processing (0.95%)

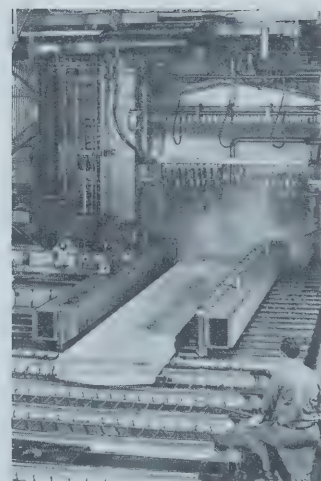
George Weston Limited	132,075	2,601,795	9.45
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Manufacturing (Durables) (1.46%)

Anthes Imperial Limited "A"	10,950	470,850	1.71
Indal Canada Limited	52,500	288,750	1.05
Massey-Ferguson Limited	136,790	2,428,023	8.82
Versatile Manufacturing Ltd.	25,000	318,750	1.16
Versatile Manufacturing Ltd. Class "A"	50,000	512,500	1.86
		<u>4,018,873</u>	<u>14.60</u>

Merchandising (7.11%)

*Butler Shoe Corp.	19,000	728,270	2.65
Dominion Stores Limited	40,375	736,844	2.68
*Kentucky Fried Chicken Corporation	34,500	2,811,267	10.21
M. Loeb Limited	140,000	1,732,500	6.29
*Melville Shoe Corporation	2,500	148,430	.54
*Morse Shoe Inc.	20,000	739,800	2.69
The Oshawa Wholesale Limited Class "A"	146,550	5,862,000	21.29
Simpsons Limited	61,100	2,337,075	8.49
Steinbergs Limited Series "A"	74,000	1,239,500	4.50
Zellers Limited	207,200	3,237,500	11.76
		<u>19,573,186</u>	<u>71.10</u>



Aluminum hot rolling mills.

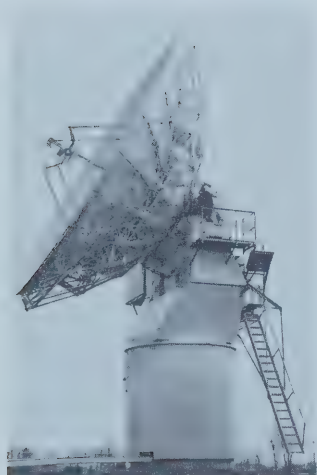
Common Stocks (continued)

Metal Mining and Refining (8.05%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
Alcan Aluminium Limited	122,925	3,027,028	11.00
Anglo-American Corporation of Canada Ltd.	205,776	2,057,760	7.48
Falconbridge Nickel Mines Limited	22,000	2,172,500	7.89
The International Nickel Company of Canada Ltd.	100,437	4,130,492	15.00
McIntyre Porcupine Mines Limited	29,600	2,686,200	9.76
Noranda Mines Limited	99,605	5,154,559	18.72
Placer Development Limited	100,000	2,937,500	10.67
		22,166,039	80.52

Miscellaneous (6.79%)

*Bausch and Lomb Inc.	13,000	827,593	3.00
Bramlea Consolidated Developments Limited	460,000	4,427,500	16.06
Investors International Mutual Fund Ltd.	43,224	358,548	1.29
Markborough Properties Limited	330,000	3,217,500	11.68
Markborough Properties Limited (Warrants)	25,000	171,250	.61
*Monogram Industries Inc.	9,400	490,069	1.93
*Neptune Meter Company	30,000	1,901,790	6.90
*Pennzoil Co.	2,400	434,878	1.57
*Planning Research Corp.	3,600	145,227	.52
*The Rank Organisation Limited "A" Ordinary Non-Voting 5/-PV	370,000	3,561,250	12.92
*The Rank Organisation Limited Ordinary Voting 5/-PV	60,000	577,500	2.07
Revenue Properties Company Limited	48,075	709,106	2.57
Rothmans of Pall Mall Canada Limited	69,000	1,863,000	6.76
		18,685,211	67.88



Precision tracking station.

Common Stocks (continued)

Office Equipment (6.95%)

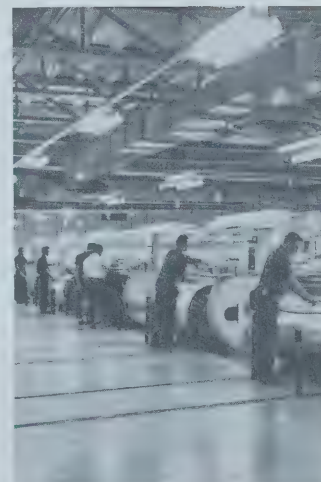
	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
*Control Data Corporation	12,300	1,727,609	6.28
*Digital Equipment Corp.	11,800	1,619,432	5.88
*International Business Machines Corporation	22,964	8,248,255	29.96
Moore Corporation Limited	167,720	4,905,810	17.82
*Randolph Computer Corporation	13,800	663,973	2.41
*Scientific Data Systems	20,400	1,979,453	7.19
		<u>19,144,532</u>	<u>69.54</u>

Oil and Gas (8.55%)

The British American Oil Company Limited	104,300	4,810,837	17.48
*Getty Oil Company	8,000	898,488	3.26
Husky Oil Canada Ltd.	115,000	2,760,000	10.03
Imperial Oil Limited	75,226	5,791,940	21.04
*Occidental Petroleum Corporation	44,774	2,250,252	8.17
Shell Canada Limited Class "A"	150,000	4,781,250	17.37
Texaco Canada Limited	72,720	2,236,140	8.12
		<u>23,528,907</u>	<u>85.47</u>

Pipelines (1.70%)

The Alberta Gas Trunk Line Company Limited Class "A"	58,975	2,064,125	7.50
Interprovincial Pipe Line Company	48,575	971,500	3.53
Westcoast Transmission Company Limited	57,175	1,650,928	6.00
		<u>4,686,553</u>	<u>17.03</u>



A battery of beaming machines which marks final stage of nylon tire production.

Common Stocks (continued)

Public Utilities (6.43%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
The Bell Telephone Company of Canada	65,000	2,868,125	10.42
British Columbia Telephone Company	18,225	1,061,606	3.86
Calgary Power Ltd.	162,850	3,826,975	13.90
The Consumers' Gas Company	323,595	6,674,147	24.24
Northern and Central Gas Corporation Limited	81,600	1,224,000	4.45
Union Gas Company of Canada Limited	138,290	2,057,064	7.47
		17,711,917	64.34

Pulp, Paper and Lumber (1.90%)

Abitibi Paper Company Ltd.	145,340	1,090,050	3.96
MacMillan Bloedel Limited	172,149	4,131,576	15.01
		5,221,626	18.97

Steel (4.13%)

The Algoma Steel Corporation Limited	61,100	1,076,887	3.91
Dominion Foundries and Steel Limited	318,380	5,730,840	20.82
The Steel Company of Canada Limited	217,137	4,559,877	16.56
		11,367,604	41.29

Transportation (3.35%)

Canadian Pacific Railway Company	72,150	4,437,225	16.12
*Northwest Airlines Incorporated	28,500	2,139,011	7.77
*Seaboard World Airlines Inc.	86,600	2,646,236	9.61
		9,222,472	33.50

Trust and Loan (2.27%)

*American Express Company	29,400	2,163,193	7.86
Industrial Acceptance Corporation Limited	155,000	4,088,125	14.85
		6,251,318	22.71

TOTAL COMMON STOCKS

213,134,996 774.24



Maintaining telephone switchgear.

Preferred Stocks (1.91%)

	No. of Shares	Market Value	Portfolio Distribution Per \$1,000
Indal Canada Limited			
Series "A" 6% Cum. Warrants \$10.00 P.V.	60,000	600,000	2.18
Series "B" 6% Cum. \$10.00 P.V.	15,000	150,000	.54
M. Loeb Limited			
Series "A" 5.75% Cum. Red. Conv. \$50.00 P.V.	15,000	750,000	2.72
Northern and Central Gas Corporation Limited			
\$1.06 Cum. Red. Conv. \$25.00 P.V.	5,000	130,000	.47
Trans-Canada Pipe Lines Limited			
\$2.75 Cum. Red. Conv. Pref. Series "A"	51,399	3,623,629	13.17
TOTAL PREFERRED STOCKS		<u>5,253,629</u>	<u>19.08</u>

Bonds (2.32%)

Government of Canada

	Face Amount		
5% Due 6-1-71	\$ 500,000	489,000	1.78
6.25% Due 12-1-73	4,900,000	4,955,125	18.00
5.5% Due 4-1-76	1,000,000	945,000	3.43
TOTAL BONDS		<u>6,389,125</u>	<u>23.21</u>
TOTAL INVESTMENTS		<u>224,777,750</u>	<u>816.53</u>
CASH AND OTHER ASSETS (Net) (18.35%)		<u>50,508,184</u>	<u>183.47</u>
TOTAL NET ASSETS		<u>\$275,285,934</u>	<u>\$1,000</u>



A continuous cold roll reducing mill.

*United States and other foreign investments — valued as follows:
Market value — converted at the exchange rate as at August 31, 1968.

THE *Investors* GROUP

The Investors Group, through its subsidiaries and affiliates listed below, offers a complete range of savings and investment management services for individuals and groups. With assets of over \$1.5 billion under its administration Investors is the largest company of its kind in Canada.

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Distributor of the shares of Investors mutual funds and of guaranteed investment certificates, which provide for the accumulation of a specific sum of money over a stated period of time. The certificates may be purchased either by a single lump-sum investment or a series of payments over a period of years.

INVESTORS GROUP TRUST CO. LTD.

Provides all necessary services for the efficient administration and management of individual and group trustee pension plans, including consultation and government registration. Investors Pension Plans are available throughout Canada from Investors Syndicate representatives.

INVESTORS MUTUAL OF CANADA LTD.

Canada's largest mutual fund, Investors Mutual objectives stress income, protection of invested capital and long-term capital growth. Being a "balanced" fund, it maintains a portfolio of securities consisting of common and preferred stocks and bonds.

INVESTORS GROWTH FUND OF CANADA LTD.

A mutual fund whose principal objective is long-term growth of invested capital, its portfolio emphasizes high-quality common stocks.

INVESTORS INTERNATIONAL MUTUAL FUND LTD.

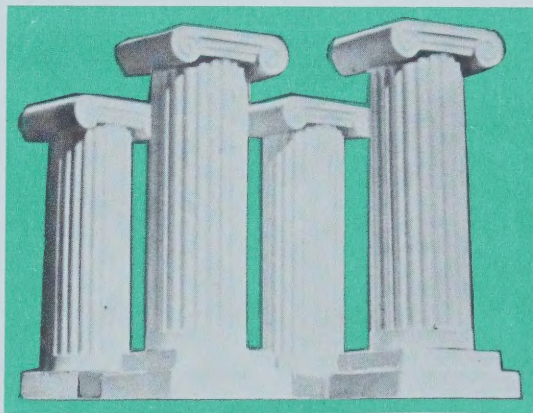
A mutual fund designed to give the Canadian investing public the opportunity to share in the long-term growth potential of the international investment scene. Emphasis is on common stocks.

THE FOUR CORNERSTONES OF SOUND PERSONAL MONEY MANAGEMENT

The Investors Group believes that a well-balanced investment program should consist of these Four Cornerstones for sound personal money management:

1. A BANK CHEQUING OR SAVINGS ACCOUNT

These are spending dollars rather than long-term savings accounts. The money deposited is generally for current living needs, or for short-term emergencies or opportunities.



2. GUARANTEED DOLLARS

Provided by Investors Syndicate's guaranteed Instalment or Single Payment Annuity Certificates to produce a specific amount of money in a stated number of years.

3. ADEQUATE LIFE INSURANCE

For family or business protection in the event of premature death.

4. GROWTH DOLLARS

Money soundly invested in a selected and diversified list of common stocks through any of Investors' three mutual funds. Because their growth reflects the development of the North American economy, the mutual funds provide an excellent hedge against inflation.

